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ABSTRACT

A Ford Foundation demonstration project intended to improve the quality of work life and reduce turnover among homemakers/home health aides in the home care industry was evaluated. The project supported three separate work life demonstration at home care agencies in New York City and Syracuse, New York and in San Diego, California. The demonstration sites included both independent and chain-affiliated agencies as well as both non-profit and for-profit agencies. The demonstrations modified training and support, pay and benefits, status, opportunities for advancement, and hours of work--all dimensions of the job found to be sources of dissatisfaction in the home aide work force. In each case, the aim of the intervention was to increase worker satisfaction, decrease turnover, and improve reliability and continuity of care. At each site, the evaluation design provided for random selection of program participants (experimentals) and controls. One-year and 18-month turnover data were collected for experimentals and controls. Depending on the particular demonstration, program participants were 21 to 44 percent more likely to be on the job one year after the start of the demonstration than were their relevant control group. These differences persisted at the 18-month measurement point. References are included. (Author/TE)

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Abstract: The Impact and Feasibility of Efforts to Reduce Turnover in the Home Care Industry

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APHA Meetings
November 17,1988

This paper reports on the evaluation of a Ford Foundation demonstration project intended to improve the quality of work life and reduce turnover among homemakers/home health aides in the home care industry. The project supported three separate work life demonstrations at home care agencies in New York City, Syracuse, and San Diego. The demonstration sites included both independent and chain-affiliated agencies, as well as both non-profit and for-profit agencies. The demonstrations modified training and support, pay and benefits, status, opportunities for advancement, and hours of work--all dimensions of the job found to be sources of dissatisfaction in the home aide work force. In each case, the aim of the intervention was to increase worker satisfaction, decrease turnover, and improve reliability and continuity of care. At each site the evaluation design provided for random selection of program participants (experimentals) and controls. One-year and 18-month turnover data were collected for experimentals and controls. Depending on the particular demonstration, program participants were 21 to 44 percent more likely to be on the job one year after the start of the demonstration than their relevant control group. These differences persisted at the 18-month measurement point.

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The Impact and Feasibility of Efforts To Reduce Turnover in the Home Care Industry

This paper reports on the evaluation of a Ford Foundation demonstration project intended to improve the quality of work life and reduce turnover in the home care industry. The focus of the demonstration was on homemaker-home health aides, the least skilled workers in the hierarchy of home health service providers. There are approximately 300,000 home aides in the United States providing personal care, homemaking, and chore services to the frail elderly and the disabled. Aide turnover rates--generally ranging from 30 to 70 percent across agencies (Feldman, 1988) and estimated at 60 percent industry-wide--disrupt service to dependent clients, impose administrative burdens on agencies, and pose a growing challenge to managers and policy makers in a period of low unemployment, tightened immigration laws, and increasing demand for service. While the supply of home aides is uneven and generally deficient at present (National Institute on Aging, 1987), worker shortages could reach crisis proportions by the year 2020, when some 9 million elderly may require nearly 50 million hours of paid care each week (Manton, 1987).[1] This would translate to a need for 1.25 million homemaker/home health aides--three times more than currently provide service.

After briefly outlining working conditions that contribute to high turnover, the paper describes the Ford project interventions designed to alter those conditions, presents data on the impact of the interventions, and discusses political, economic, and competitive factors affecting the feasibility of the interventions beyond the demonstration phase.

WORKING CONDITIONS

The home aide's job is typical of jobs in what economists have termed the "secondary labor market" (Piore, 1975), distinguished by low wages, little chance of advancement, and little employment security. Survey data collected for the project indicate that workers derive a good deal of satisfaction from the intrinsic aspects of the job, which affords a sense of personal responsibility, provides direct feedback from clients or patients, and is perceived to be meaningful and worthwhile. However, the extrinsic conditions of work are poor. Work life problems cited by labor and management and documented by the project include low wage levels and lack of wage parity (median hourly wage was about $4.30 in 1985, about 25 to 30 percent below the wage of aides in institutions, depending on the area); part-time, episodic work (more than half the workers worked fewer than 35 hours per week, and nearly 40 percent worked fewer than 25); inadequate benefits (fewer than 20 percent of survey respondents, for example, had health insurance coverage through their employer or union; about 8 percent had to rely on Medicaid, and about 20

percent had no health insurance at all); minimal training and support (none of the demonstration agencies and few of the comparison agencies provided 60 hours of training for home aides, as recommended by the national accrediting body; nor did any of the agencies provide significant organizational support for the workers, who often had to deal with physically and/or emotionally demanding clients).

THE INTERVENTIONS

Ford Foundation funds supported three demonstrations designed to address the work life problems described above. One demonstration involved the San Diego office of Remedy Home and Health Care, Inc., a major for-profit contractor under the California In-Home Supportive Services program. A second demonstration involved the Syracuse and Milwaukee branches of Quality Care, Inc. (now Kimberly Quality Care), one of the largest for-profit home care companies in the United States. The third demonstration involved two independent non-profit agencies that contracted to provide service under the New York City home attendant program, the largest Medicaid-financed home care program in the U.S. The participating agencies were selected by the project management and research teams, who canvassed a variety of for-profit and non-profit agencies in seven cities, seeking a mix of corporate status, payer mix, client status (public or private) and union/non-union sites.

The demonstrations provided for modifications in training and support, pay and benefits, status, opportunities for advancement, and hours of work--all dimensions of the job found to be sources of dissatisfaction in the home aide work force. Specifically, the interventions were as follows:

- In Demonstration 1 (San Diego), both entry level and experienced workers received extended training in basic home care skills and a guaranteed 35-hour week. They also participated in a project-sponsored employee support and development group and received uniforms and badges as a sign of their special status.

- In Demonstration 2 (New York City), experienced workers received specialized training in serving specifically defined difficult cases (e.g., Alzheimer's Disease, Organic Brain Syndrome, senile dementia) and a $.30 per hour wage increment. They also received on-going professional support and status enhancements, including special titles, badges, and program publicity.

- In Demonstration 3 (Syracuse and Milwaukee), experienced workers were promoted to full-time positions with a $.50 per hour wage increment, enriched fringe benefits, and staff status.

In each case, the immediate aim of the interventions was to increase worker satisfaction, decrease turnover, and thereby improve reliability and continuity of care.

METHOD

The evaluation design provided that within each agency workers were randomly assigned to experimental and control groups. Turnover rates of experimentals and controls were then compared one year after the start of the intervention. In Demonstration 1 a large number of workers selected to be program participants either could not be reached or declined to par-

ticipate, leading to evidence of self-selection bias. To control for possible baseline differences between the experimentals and controls in that demonstration, the participants were compared to a group of randomly selected controls matched according to prior length of service. There were essentially no attrition-induced differences between participants and controls because turnover data were collected for every individual. Furthermore, all program participants, including dropouts, were included in the turnover analysis, on the grounds that to exclude them might bias the results toward a more favorable outcome. For the purposes of the analysis, workers were counted as inactive if they formally resigned, declared a leave of absence, were fired, or did not perform paid work for the agency in the 6-week period prior to the 12-month measurement point.

FINDINGS: PROGRAM IMPACT

Table 1 summarizes follow-up data (including all program dropouts) for each of the demonstrations. It shows that, depending on the particular demonstration, program participants were 21 to 44 percent more likely to be on the job one year after the start of the demonstrations than their relevant control groups--all statistically significant differences. Table 2 aggregates the one year follow-up data for all three demonstrations and shows a 16 percent difference overall between program participants and controls. Table 3 shows that for the two

demonstrations where 18 month follow-up data were available, the differences between participants and controls were lasting.

Finally, Table 4 shows that in the one demonstration that measured continuity of care, program participants were significantly more likely (a 17 percent difference) to be with the same client a year after the start of the demonstration than were workers in the control group.

FINDINGS: PROGRAM FEASIBILITY

The findings on the impact of the demonstrations provide sound evidence that work life improvements in the home care industry <u>can</u> reduce turnover among the aide work force and improve continuity of care. However, the fate of the interventions after the demonstration phase indicates that substantial economic and political obstacles stand in the way of widespread work life reform. The interventions were relatively costly, adding $.40 to $1.25 per hour to the wage of program participants. During the demonstration period, the availability of outside funding protected the interventions from the constraints imposed by available payment sources. Afterwards, the interventions at the publicly funded agencies were abandoned (in San Diego because the county awarded the home care contract to a competing low bidder at a rate that allowed little or no job enrichment; in New York City because the Medicaid budget did not provide for an extension, although funds were budgeted for the following fiscal year). Thus at the agencies exclusively reliant

on public reimbursement, the level of support from state and local funding agencies and from elected officials was the critical factor in determining continuation. At the agencies with a public-private revenue mix (Quality Care Syracuse and Milwaukee), local economic and competitive factors determined the fate of the interventions. The full-time work guarantee--perceived as effective in marketing to private sector purchasers--was continued, but without the costly vacation, sick leave, or insurance benefits, which provided no marketing advantage.

CONCLUSION

In most industries, employers experiencing labor shortages and excess demand for services or products would improve wages, benefits, and/or other conditions of work and increase prices to maintain revenues and profits. The problem in the home care industry is that approximately 70 percent of revenues are regulated by third party payers who to date have been unwilling to fund major increases in the unit price of service. At the same time, the frail elderly users of service who are not covered by public or private insurance can ill afford higher payments for care at home. (The average reported out-of-pocket payment for home care services was $164 per month in 1982 [Liu, et al. 1985].) Unless or until third party coverage of chronic home care is expanded and third party payers agree to pay for employment conditions on a par with those in the hospital and nursing home sectors, the prospects for widespread work life reforms appear dim.

TABLE 1

TURNOVER ANALYSIS -- ONE YEAR FOLLOW-UP
THREE DEMONSTRATION SITES

	PROGRAM PARTICIPANTS	CONTROLS	PERCENT DIFFERENCE
DEMONSTRATION 1			
ON THE JOB	65% (36)	44% (31)	21%
INACTIVE	35% (19)	56% (40)	
[CHI SQUARE = 6.0; P <.02.]			
DEMONSTRATION 2			
ON THE JOB	84% (84)	73% (104)	11%
INACTIVE	16% (16)	27% (38)	
[CHI SQUARE = 4.0; P <.05.]			
DEMONSTRATION 3			
ON THE JOB	77% (17)	33% (7)	44%
INACTIVE	23% (5)	67% (14)	
[CHI SQUARE = 8.4; P <.01.]			

TABLE 2

TURNOVER ANALYSIS -- ONE YEAR FOLLOW-UP
AGGREGATE DATA -- 3 DEMONSTRATION SITES

	PROGRAM PARTICIPANTS	CONTROLS	PERCENT DIFFERENCE
ON THE JOB	77% (137)	61% (142)	16%
INACTIVE	23% (40)	39% (92)	

[CHI SQUARE = 12.9; P<.001.]

TABLE 3

TURNOVER ANALYSIS -- 18 MONTH FOLLOW-UP
TWO DEMONSTRATION SITES

	PROGRAM PARTICIPANTS	CONTROLS	PERCENT DIFFERENCE
DEMONSTRATION 1			
ON THE JOB	51% (28)	32% (23)	19%
INACTIVE	49% (27)	68% (48)	
DEMONSTRATION 3			
ON THE JOB	73% (16)	19% (4)	54%
INACTIVE	27% (6)	81% (17)	

TABLE 4

DEMONSTRATION 3

CONTINUITY OF CARE AMONG PROGRAM PARTICIPANTS & CONTROLS AT ONE YEAR FOLLOW-UP

	PARTICIPANTS	CONTROLS	DIFFERENCE
SAME CLIENT	63 (63%)	66 (46%)	17%
DIFFERENT CLIENT	2L (21%)	38 (27%)	6%
INACTIVE	16 (16%)	38 (27%)	11%
TOTAL	100 (100%)	142 (100%)	

(CHI SQUARE = 6.9, P <.05 WITH 2 DEGREES OF FREEDOM.)

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Notes

1. Findings from the 1982 National Long-Term Care Survey showed that about 4.6 million or 19 percent of individuals aged 65 and older living in the community were in need of help with some activities of daily living (GAO, Sept. 1986). Assuming no change in disability rates, Manton (1987) has estimated that by the year 2020 over 9 million elderly will require more than 242 million hours of assistance per week. Assuming that, as in 1982, 80 percent of those hours were filled by "informal" care givers, the home care industry would have to provide about 50 million hours per week. To do so would require 1.25 million home aides to provide 40 hours of service per week.